FINANCIAL STATEMENTS

DECEMBER 31, 2015

CONSUMER
PROTECTION BC

HAYES
STEWART
LITTLE & CO.
CHARTERED PROFESSIONAL ACCOUNTANTS
www.hslco.com

INDEPENDENT AUDITORS' REPORT

To the Directors of Consumer Protection BC

We have audited the accompanying financial statements of Consumer Protection BC, which comprise the statement of financial position as at December 31, 2015 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Accounting Standards for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Consumer Protection BC as at December 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Hayes Stewart Little + Co

Victoria, BC
March 29, 2016

Chartered Professional Accountants

Consumer Protection BC
Statement of Financial Position
As at December 31, 2015

		2015		2014
Assets				
Cash	$	1,573,522	$	2,059,843
Security held as cash (Note 3)		2,656,507		2,108,507
Accounts receivable		354,092		194,459
Prepaid expenses		135,244		90,046
Short term investments (Note 4)		444,819		400,030
		5,164,184		4,852,885
Investments (Note 5)		2,265,879		2,273,709
Tangible capital assets (Note 7)		1,097,660		813,053
Total Assets	$	8,527,723	$	7,939,647
Liabilities				
Accounts payable and accrued liabilities	$	187,152	$	162,248
Wages and benefits payable (Note 9)		454,648		587,519
Security payable (Note 3)		2,656,507		2,108,507
Deferred revenue (Note 10)		1,244,170		1,460,285
Current portion of deferred capital contributions (Note 11)		-		284
Current portion of deferred lease inducements (Note 12)		48,315		48,316
		4,590,792		4,367,159
Deferred capital contributions (Note 11)		-		662
Deferred lease inducements (Note 12)		86,306		134,620
Supplemental retirement benefit (Note 13 (b))		75,040		64,050
Total Liabilities		4,752,138		4,566,491
Net Assets		3,775,585		3,373,156
Total Liabilities and Net Assets	$	8,527,723	$	7,939,647

Lease Obligation and Commitments (Note 8)

Approved by:

Chair, Board of Directors

President and CEO

Consumer Protection BC

Statement of Operations and Net Assets
For the year ended December 31, 2015

		2015		2014
Revenue				
Licenses, classification, penalties and fines	$	5,447,330	$	5,393,465
Recoveries		154,145		142,865
Interest, investment and other income		114,572		242,237
		5,716,047		5,778,567
Expenses				
Accounting and legal		81,666		115,533
Amortization		308,379		240,235
Banking and service charges		70,852		81,443
Communications		98,237		136,113
Contract services		264,571		258,307
Governance (Note 14)		148,484		146,651
Information systems and telecommunication		190,465		256,401
Insurance		68,047		69,519
Office		105,120		90,451
Rent - premises		525,196		521,531
Travel		99,093		86,891
Wages and benefits		3,376,528		3,668,255
		5,336,638		5,671,330
Excess of revenues over expenses from operations		379,409		107,237
Other income				
Gain on sale of tangible capital assets		23,020		149
Excess of revenues over expenses		402,429		107,386
Net assets, beginning of year		3,373,156		3,265,770
Net assets, end of year	$	3,775,585	$	3,373,156

Consumer Protection BC
Statement of Cash Flows
For the year ended December 31, 2015

	2015	2014
Cash flow from operating activities		
Cash received for:		
Licenses, classifications, penalties and fines	$ 5,059,230	$ 5,474,893
Recovery of administration, investigation and enforcement	154,778	89,762
Interest from bank accounts	44,591	44,801
Investment and other income	109,278	100,743
Travel agent and debt collector securities (Note 3)	548,000	475,413
	5,915,877	6,185,612
Cash paid for:		
Wages and benefits	(3,498,409)	(3,823,224)
Goods and services	(1,709,462)	(1,890,190)
	(5,207,871)	(5,713,414)
Total cash flow from operating activities	708,006	472,198
Cash flow from investing activities		
Cash paid for acquisition of investments	(850,098)	(535,399)
Cash received from sale of investments	761,435	562,831
Cash paid for acquisition of tangible capital assets	(600,259)	(61,666)
Cash received from sale of tangible capital assets	30,293	149
	(658,629)	(34,085)
Net increase in cash and cash equivalents	49,377	438,113
Cash and cash equivalents, beginning of year	4,192,288	3,754,175
Cash and cash equivalents, end of year	$ 4,241,665	$ 4,192,288
Cash and cash equivalents comprised of:		
Cash	$ 1,573,522	$ 2,059,843
Security held as cash (Note 3)	2,656,507	2,108,507
Cash in short term investments (Note 4)	11,636	23,938
	$ 4,241,665	$ 4,192,288

1. Purpose of the organization

The Business Practices and Consumer Protection Authority (the Authority) was established on March 31, 2004 under the Business Practices and Consumer Protection Act of British Columbia as a not for profit corporation without share capital. After a rebranding process, on August 24, 2009, the Authority commenced doing business as Consumer Protection BC.

As outlined in an administrative agreement with the Ministry of Justice, the responsibilities of Consumer Protection BC are to deliver consumer protection services throughout British Columbia, to promote fairness and understanding in the marketplace and to administer in the public interest any Act for which the administration has been delegated. Consumer Protection BC is classified as a public body for income tax purposes and therefore is not subject to income taxes.

2. Significant accounting policies

The financial statements of Consumer Protection BC have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. The following significant accounting policies have been adopted by the organization:

(a) Financial instruments

Consumer Protection BC's financial instruments consist of cash, security held as cash, accounts receivable, short term investments, guaranteed investment certificates, bonds, preferred shares, equities, accrued investment income receivable, accounts payable and accrued liabilities, and security deposits payable:

i. Cash

Cash includes balances held at Canadian financial institutions for the purpose of meeting short term cash commitments.

ii. Short term investments

Short term investments include cash, guaranteed investment certificates and bonds with terms to maturity less than one year at December 31, 2015, and accrued investment income receivable, held for investing.

iii. Investments

Investments include guaranteed investment certificates and bonds with terms to maturity greater than one year at December 31, 2015, preferred shares, and equities.

2. Significant accounting policies cont.

Financial assets purchased and sold, where the contract requires the asset to be delivered within an established timeframe, are recognized on a settlement-date basis. Financial assets with actively traded markets are reported at fair value determined on the last business day of the fiscal period, with any unrealized gains or losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs are expensed as incurred.

The financial assets and financial liabilities of Consumer Protection BC are classified and measured as follows:

Assets/liabilities	Measurement
Cash	Fair value
Security held as cash	Fair value
Short term investments	Fair value
Investments	Fair value
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

(b) Tangible capital assets

Tangible capital assets are recorded at cost. Expenditures for additions and expenditures which substantially increase the useful life of existing assets are capitalized. Amortization is calculated at the following annual rates:

Asset	Rate
Furniture and equipment	20% declining balance
Computer hardware and software	30% declining balance
Telecommunications equipment	30% declining balance
Automotive equipment	30% declining balance
Leasehold improvements	Straight line over the term of the lease

(c) Revenue recognition

Consumer Protection BC follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the period in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

2. Significant accounting policies cont.

Tangible capital assets contributed or externally restricted contributions for the purchase of tangible capital assets are deferred and amortized over the life of the related tangible capital asset. Unamortized deferred capital contributions relating to tangible capital asset dispositions are recognized as revenue in the period of disposal, provided that all restrictions have been complied with.

Government grants are accounted for as unrestricted contributions or externally restricted contributions in accordance with the terms of funding.

Unrestricted interest, investment and recoveries income is recognized as revenue when earned.

License fees are recognized on a straight line basis as revenue throughout the period the license is valid.

Classification fees are recognized when earned.

(d) Accounts receivable

Consumer Protection BC conducts credit business with film distributors for film classification services. Ongoing credit evaluations are performed on customers and prepayment is required in the event of unsatisfactory payment history. An allowance for doubtful accounts for estimated losses due to the inability of customers to make payments is maintained. The allowance is adjusted periodically based on the best estimate of bad debt write offs.

(e) Employee benefit plan

i. Pension plan

Consumer Protection BC and its employees contribute to the Public Service Pension Plan in accordance with the Public Sector Pensions Act. The Pension Corporation of British Columbia administers the Plan including the payment of pension benefits on behalf of employers and employees to whom the Act applies. The Plan is a multi-employer defined benefit plan.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent actuarial valuation (March 31, 2014) has determined that the Plan has a surplus of $392 million.

The pension plan liability or surplus rests with the Pension Corporation of British Columbia and does not belong to Consumer Protection BC. As such, defined contribution plan accounting is applied to this benefit plan and the costs of these employee future benefits is recognized as an expense in the year that contributions are made.

2. Significant accounting policies cont.

ii. Defined supplemental retirement benefit plan

The supplemental retirement benefit plan payable at retirement is based on the employee's service and earnings projected to retirement. For employees currently not yet eligible to retire and receive the retirement benefit on the year-end date, the benefit is then prorated by the ratio of their service to date over their total service at the time of retirement. The prorated benefit represents the portion of the benefit accrued to the year-end date. For employees eligible to receive the retirement benefit at the year-end date, the expected retiring benefit payment has been included in the accrued liability. The value of the benefit is calculated based on the likelihood that the member will retire from the plan and discounted with interest to the current date.

(f) Long term disability

Consumer Protection BC contributes to the Public Service Long-term Disability Multiemployer Plan, as a member of an employer group. The long term disability plan liability rests with the Province of BC and is not a liability of Consumer Protection BC. As such, defined contribution plan accounting is applied to this benefit plan and the cost of these employee future benefits is recognized as an expense in the year that contributions are made.

(g) Asset retirement obligations

The fair value of a liability for an asset retirement obligation is recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The associated retirement costs are capitalized as part of the carrying amount of the long lived assets and amortized over the life of the asset. At this time, Consumer Protection BC has determined that there are no significant asset retirement obligations.

(h) Use of estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. This includes but is not limited to the collection of receivables, useful lives of tangible capital assets and the accrual of liabilities, such as the defined supplemental retirement benefit.

3. Security payable

Under Section 14(2) of the Travel Industry Regulation, licensed travel agents in BC must provide security to Consumer Protection BC prior to the issuance of a license. The security may be provided in the form of cash, letter of credit or approved investments. Security provided in the form of cash is held in a separate bank account and returned 6 months after the license is cancelled if there are no outstanding claims against the security. If claims are made by consumers for travel services that were prepaid but not received, the security is used to reimburse the Travel Assurance Fund for the claims. The licensee has the opportunity to reimburse the Travel Assurance Fund prior to the security becoming realized.

Under Section 12(1) of the Debt Collection Industry Regulation, licensed debt collectors in BC must provide security to Consumer Protection BC prior to the issuance of a license. The security may be provided in the form of cash, letter of credit or approved investments. Security provided in the form of cash is held in a separate bank account and returned 2 years after the license is cancelled if there are no outstanding claims against the security.

		Debt		Travel		Total
Balance, beginning of year	$	163,507	$	1,945,000	$	2,108,507
Receipt		26,000		700,000		726,000
Refund		(28,000)		(150,000)		(178,000)
Balance, end of year	$	161,507	$	2,495,000	$	2,656,507

4. Short term investments

Short term investments are carried at fair value in accordance with the significant accounting policy disclosed in note 2 (a).

		2015		2014
Cash	$	11,636	$	23,938
Accrued investment income receivable		11,899		-
Guaranteed investment certificates		117,000		250,000
Bonds		304,284		126,092
	$	444,819	$	400,030

5. Investments

Investment are carried at fair value in accordance with the significant accounting policy disclosed in note 2 (a).

		2015		2014
Guaranteed investment certificates	$	431,900	$	448,900
Bonds		362,389		754,550
Preferred shares		236,926		278,410
Canadian equities		734,628		525,214
Foreign equities		500,036		266,635
	$	2,265,879	$	2,273,709

6. Operating line of credit

Consumer Protection BC maintains an operating line of credit in the amount of $1,000,000 with Van City Savings Credit Union. The credit facility bears interest at the credit union's prime rate plus .50%. As of December 31, 2015, there were no borrowings under the line of credit.

7. Tangible capital assets

	Cost	Accumulated Amortization	Net Book Value 2015	2014
Furniture and equipment	$ 487,753	$ 347,427	$ 140,326	$ 161,609
Computer hardware and software	1,212,079	618,949	593,130	269,670
Telecommunications equipment	24,952	16,406	8,546	12,795
Automotive equipment	93,858	14,079	79,779	7,429
Leasehold improvements	741,526	465,647	275,879	361,550
	$ 2,560,168	$ 1,462,508	$ 1,097,660	$ 813,053

8. Lease obligation and commitments

Consumer Protection BC has entered into lease agreements for its premises, computer equipment and a service contract for telecommunications and internet service. Future minimum lease payments are as follows:

	Premises	Equipment and Services	Total Future Commitments
2016	$ 337,371	$ 38,520	$ 375,891
2017	334,220	25,680	359,900
2018	233,541	-	233,541
2019	233,541	-	233,541
2020	77,847	-	77,847
2021	-	-	-
	$ 1,216,520	$ 64,200	$ 1,280,720

9. Wages and benefits payable

Wages and benefits payable represents Consumer Protection BC's obligations for employee benefits that are expected to be settled during the next twelve months. The liabilities recognized for wages and benefits consist of the following amounts:

	2015	2014
Salaries payable	$ 386,967	$ 461,347
Employee leave liability	55,608	76,886
Source deductions payable	12,073	49,286
	$ 454,648	$ 587,519

10. Deferred revenue

Deferred revenue consists of funds received for licenses issued that are in effect for all or part of the next fiscal year. The balance consists of the following unrecognized license fees by industry:

		2015		2014
Cemetery/Crematorium	$	5,072	$	5,528
Debt collection		484,485		592,532
Film distribution		93,250		142,499
Funeral services		58,173		55,808
Home inspectors		62,234		59,947
Payday lenders		287,890		353,356
Telemarketing		46,900		48,889
Travel		206,166		201,726
	$	1,244,170	$	1,460,285

11. Deferred capital contributions

Deferred capital contributions represent unamortized external funding used to purchase tangible capital assets which will be recognized as revenue in future periods:

		2015		2014
Balance, beginning of year	$	946	$	1,351
Amortized to revenue		(946)		(405)
Balance, end of year		-		946
Current portion		-		(284)
Long term portion	$	-	$	662

12. Deferred lease inducements

Deferred lease inducements represent unamortized inducements received as part of the lease contracts on the Uptown and Burnaby premises. The deferred portion of these inducements will be recognized over the term of the lease contracts as a reduction of rent expense in future periods.

		2015		2014
Balance, beginning of year	$	182,936	$	231,252
Amortized to expense		(48,315)		(48,316)
Balance, end of year		134,621		182,936
Current portion		(48,315)		(48,316)
Long term portion	$	86,306	$	134,620

13. Employee future benefits

(a) Public service pension plan

Consumer Protection BC has a defined benefit plan providing pension and other retirement benefits to its employees. The plan is administered by the Pension Corporation of British Columbia. Eligible employees make contributions to the plan via payroll deductions.

The employer contribution rate to the Public Service Pension Plan is 9.43% of the pensionable salary up to the year's maximum pensionable earnings and 10.93% on pensionable salary in excess of the year's maximum pensionable earnings. These rates have been in effect since April 1, 2012. The year's maximum pensionable earnings for 2015 was $53,600 (2014: $52,500).

Consumer Protection BC recognized $265,508 in employer contributions as an expense during the fiscal year (2014: $255,840).

(b) Defined supplemental retirement benefit plan

In addition to the Public Service Pension Plan, eligible employees are entitled to a supplemental retirement benefit as provided for under the collective agreement and terms of employment. The retirement benefit is based on years of service and final average salary and paid through an unfunded Defined Supplemental Retirement Benefit Plan, which is administered by Consumer Protection BC.

An independent actuarial valuation of the Defined Supplemental Retirement Benefit Plan has not been performed, therefore the amount accrued as a liability at December 31, 2015 is management's best estimate based on the following assumptions:

	Assumption
Accrued benefit obligation	$75,040
Discount rate	3.0%
General staff attrition rate	15.0%
Rate of compensation increase	0.0%

The full accrued benefit obligation has been recorded as a liability of Consumer Protection BC. Consumer Protection BC recognized $10,990 as a supplemental retirement benefit expense during the fiscal year (2014 recovery: $8,174) and made cash payments in the amount of $10,272 (2014: $nil).

(c) Long term disability plan

A funded long term disability multi-employer plan provides disability income benefits after employment, but before retirement.

The contribution rate is 0.10% of the employees' salary (2014: 0.29%). The total contributions recognized as an expense in the year were $3,914 (2014: $10,373).

14. Governance

Governance consists of the costs associated with the Board of Directors and the industry advisory groups. These groups have been established to identify consumer and industry related issues and potential solutions for consideration by Consumer Protection BC.

15. Financial risk management

Consumer Protection BC adheres to an Investment Policy, which is approved by the Board of Directors, and outlines the objectives, policies, and processes related to its investing activities. The Investment Policy provides guidance on portfolio management and investment decisions.

Consumer Protection BC has exposure to the following risks from its use of financial instruments:

(a) Credit risk

Credit risk is the risk of financial loss to Consumer Protection BC if a counterparty to a financial instrument fails to meet its contractual obligations. Consumer Protection BC's investments in short term investments and investments are subject to credit risk. The maximum exposure to credit risk on these instruments is their carrying value. Consumer Protection BC manages the risk by limiting the credit exposure allowed under the investment management guidelines in the Investment Policy. The Investment Policy mandates that the majority of the fixed-income portfolio will be invested in investment-grade securities and the maximum amount allowable per investment-grade non-government fixed-income security will be the greater of 10% of the portfolio or 15% of the fixed-income portfolio.

(b) Liquidity risk

Liquidity risk is the risk that Consumer Protection BC will not be able to meet its financial obligations as they become due. The Investment Policy states that about 5% of the investment portfolio should be held in cash or cash equivalents for operational requirements. Consumer Protection BC aims to retain a sufficient cash position to manage liquidity.

15. Financial risk management cont.

(c) Market risk

Market risk is the risk that changes in market prices, as a result of changes in foreign exchange rates, interest rates, and equity prices, will affect Consumer Protections BC's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while achieving return objectives.

i. Currency risk

Investments in foreign securities are exposed to currency risk due to fluctuations in foreign exchange rates.

Consumer Protection BC is exposed to currency risk on its foreign securities as the prices denominated in foreign currencies are converted to Canadian dollars in determining fair value. The Investment Policy asset allocation statement sets a maximum of 30% of the value of the investment portfolio will be invested in foreign securities.

ii. Interest rate risk

Interest rate risk relates to the risk that changes in interest rates will affect the fair value or future cash flows of financial instruments. Consumer Protection BC is invested in a number of individual bonds.

Interest rate risk is managed by the investment managers staggering the maturity dates of the individual fixed-income investment holdings and having no fixed-income investments with a term to maturity greater than ten years.

iii. Other price risk

The Investment Policy includes restrictions regarding minimum and maximum amount of cash and equivalents, fixed-income, Canadian equity, and foreign securities. The diversification across various asset classes is designed to decrease the volatility of portfolio returns.

16. Travel Assurance Fund

The Travel Assurance Fund is established pursuant to Section 130(2) of the Business Practices and Consumer Protection Act ("Act") and is funded by required initial and semi-annual contributions from registrants. It has been created to reimburse eligible consumers who have prepaid for travel services with a BC licensed travel agency, but did not receive the service. These compensation funds are to be maintained in trust and do not form part of the assets of Consumer Protection BC. The statement of financial position and statement of operations and fund balance of the Travel Assurance Fund at December 31, 2015 are as follows:

Statement of Financial Position		**2015**		**2014**
Cash	$	853,198	$	962,603
Due from Consumer Protection BC		-		5,544
Interest receivable		715		1,045
Short term investments (Note 16(a))		728,815		719,674
		1,582,728		1,688,866
Investments (Note 16 (b))		3,731,329		3,781,632
Total assets	$	5,314,057	$	5,470,498
Accounts payable	$	21,769	$	24,790
Due to Consumer Protection BC		7,687		-
Total liabilities		29,456		24,790
Fund balance		5,284,601		5,445,708
Total liabilities and fund balance	$	5,314,057	$	5,470,498

Statement of Operations		**2015**		**2014**
Contributions	$	188,539	$	370,758
Interest and investment (loss)/income		(31,314)		174,039
		157,225		544,797
Expenses		5,258		5,244
Payment of claims (Note 16 (c))		173,074		129,916
Administration (Note 20)		140,000		135,000
		318,332		270,160
(Deficiency)/excess of revenue over expenses		(161,107)		274,637
Fund balance, beginning of year		5,445,708		5,171,071
Fund balance, end of year	$	5,284,601	$	5,445,708

16. Travel Assurance Fund cont.

(a) Short term investments

Short term investments of the Travel Assurance Fund are carried at fair value in accordance with the significant accounting policy disclosed in note 2 (a).

		2015		2014
Cash	$	6,675	$	17,122
Accrued investment income receivable		26,880		-
Guaranteed investment certificates		150,000		495,800
Bonds		545,260		206,752
	$	728,815	$	719,674

(b) Investments

Investment of the Travel Assurance Fund are carried at fair value in accordance with the significant accounting policy disclosed in note 2 (a).

		2015		2014
Guaranteed investment certificates	$	1,464,000	$	1,115,000
Bonds		840,978		1,442,134
Preferred shares		429,875		352,090
Canadian equities		996,476		872,408
	$	3,731,329	$	3,781,632

(c) Payment of claims

The Travel Assurance Fund paid out or was due to pay out $173,074 (2014: $129,916) in reimbursements for eligible claims. The maximum amount that may be paid from the fund to a claimant in respect of a claim is $5,000 for each person covered by the claim. Approved claims may include more than one person resulting in a payment greater than $5,000 per claim.

Failed Supplier	Approved Claims		Payments
Global Pacific Travel Ltd.	2	$	7,560
Air World Tour & Travel Ltd.	40		97,071
Safari Studio Ltd.	2		20,000
Skyline Tours Ltd.	13		23,934
S.K.Y. Travel Management Ltd.	1		24,509
	58	$	173,074

(d) Claims payable in subsequent period

The Travel Assurance Fund has received an additional five claims from consumers totaling $11,310 who had suffered a loss as a result of the Skyline Tours Ltd. and Air World Tour & Travel Ltd. closures, however, had not yet made a determination on eligibility of claims for compensation by the Travel Assurance Fund. Therefore the amount of claims to be approved by the trustee and recognized as payable is not determinable.

17. Consumer Advancement Fund

The Consumer Advancement Fund is established pursuant to Section 139(1) of the Business Practices and Consumer Protection Act ("Act") and is funded by proceeds from court ordered actions taken against violators of the Act and various administrative penalties. It is created to fund education of consumers and suppliers on compliance with the Act. These funds are maintained in trust and administered by and do not form part of the assets of Consumer Protection BC. The statement of financial position and statement of operations and fund balance of the Consumer Advancement Fund at December 31, 2015 are as follows:

Statement of Financial Position		**2015**		**2014**
Cash	$	418,162	$	396,600
Accounts receivable		196		196
Due from Consumer Protection BC		-		2,800
Interest receivable		320		400
Total assets	$	418,678	$	399,996
Accounts payable	$	525	$	1,099
Due to Consumer Protection BC		162		-
Total liabilities		687		1,099
Fund balance		417,991		398,897
Total liabilities and fund balance	$	418,678	$	399,996

Statement of Operations		**2015**		**2014**
Revenue	$	19,900	$	20,697
Interest		4,059		4,447
		23,959		25,144
Expenses		4,865		13,717
Excess of revenue over expenses		19,094		11,427
Fund balance, beginning of year		398,897		387,470
Fund balance, end of year	$	417,991	$	398,897

18. Recoveries Fund

Recoveries consist of cost recoveries from legal actions and settlements Consumer Protection BC managed on behalf of consumers. Pursuant to a court order or consent agreement, Consumer Protection BC is authorized to deduct the costs it has incurred from the gross settlement proceeds prior to distributing the net amount to the damaged parties. Settlement amounts will vary from year to year depending upon the results of the actions taken. The statement of financial position and statement of operations and fund balance of the Recoveries Fund at December 31, 2015 are as follows:

18. Recoveries Fund cont.

Statement of Financial Position		2015		2014
Cash	$	35,254	$	37,142
Total assets	$	35,254	$	37,142
Accounts payable	$	11,555	$	1,888
Deferred revenue		20,000		31,555
Total liabilities		31,555		33,443
Fund balance		3,699		3,699
Total liabilities and fund balance	$	35,254	$	37,142

Statement of Operations		2015		2014
Revenue	$	11,555	$	8,511
Expenses (Note 20)		11,555		8,511
Excess of revenue over expenses		-		-
Fund balance, beginning of year		3,699		3,699
Fund balance, end of year	$	3,699	$	3,699

19. Compliance Order Trust

A Supplemental Compliance Order (the "Order") dated November 30, 2012 was issued by Consumer Protection BC under the Business Practices and Consumer Protection Act S.B.C 2004, c.2, against Cash Store Financial Services Inc. The Order contemplated certain payments being made to certain eligible consumers as determined pursuant to the Order. The Cash Store Financial Services Inc. received $1,078,328.00 to be used in accordance with the terms of the Order.

On April 9th, 2014, Consumer Protection BC and the Cash Store Financial Services Inc. entered into a trust agreement and declaration that created a trust for the holding of the aforementioned monies. The trust was called the Compliance Order Trust.

The trust declaration initially named Cash Store Financial Services Inc. as the trustee but provided Consumer Protection BC with the authority to replace the trustee if it was deemed necessary.

On July 9, 2014, as a result of Cash Store Financial Services Inc.'s inability to meet its obligations under the Order and Trust Declaration, Consumer Protection BC amended the trust declaration and replaced Cash Store Financial Services Inc. as trustee. Consumer Protection BC held the monies pursuant to the trust declaration and effected the refund process consistent with the Order until October 18, 2014, at which point the refund obligation on Cash Store Financial Services Inc. was deemed complete. Consumer Protection BC continues to hold the monies in trust and must administer them in accordance with Section 31 of the Order.

19. Compliance Order Trust cont.

These trust fund monies are to be held within the Compliance Order Trust account separate from other funds, to pay for claims submitted by claimants as described in the Order, until the claims period ends on October 18, 2020, at which time the funds will be recognized as revenue of the Consumer Advancement Fund. At December 31, 2015, the anticipated amount is reflected as both an asset and a liability of the Compliance Order Trust Fund. The statement of financial position and statement of operations and fund balance of the Compliance Order Trust at December 31, 2015 are as follows:

Statement of Financial Position		2015		2014
Cash held in trust	$	923,178	$	931,794
Total assets	$	923,178	$	931,794
Due to Consumer Protection BC (Note 20)	$	-	$	26,689
Accounts payable		8,970		-
Trust liabilities		908,347		905,105
Total liabilities		917,317		931,794
Fund balance		5,861		-
Total liabilities and fund balance	$	923,178	$	931,794

Statement of Operations		2015		2014
Interest income	$	5,861	$	-
Expenses		-		-
Excess of revenue over expenses		5,861		-
Fund balance, beginning of year		-		-
Fund balance, end of year	$	5,861	$	-

20. Related party transactions

No administrative fees were collected by Consumer Protection BC from the Consumer Advancement Fund (2014: $nil) to compensate for the costs of administering the Fund.

Administrative fees were collected by Consumer Protection BC from the Travel Assurance Fund in the amount of $140,000 (2014: $135,000) to compensate for the costs of administering the Fund.

Fees were collected by Consumer Protection BC from the Recoveries Fund in the amount of $11,555 (2014: $8,511) to compensate for investigative and legal costs.

No administrative fees or costs were collected by Consumer Protection BC to facilitate the issuance of claim cheques issued by the Compliance Order Trust in 2015 (2014: $26,689).

21. Comparative figures

Certain comparative figures have been reclassified to conform to the presentation adopted in the current year.